House Bill 439

By: Representative O`Neal of the 146th

A BILL TO BE ENTITLED

AN ACT

To amend Code Section 48-7-40.26 of the Official Code of Georgia Annotated, relating to tax credits for film, video, or digital productions in this state, so as to increase the amounts of certain tax credits; to eliminate certain additional tax credits; to eliminate a defined term; to provide an effective date; to provide for applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Code Section 48-7-40.26 of the Official Code of Georgia Annotated, relating to tax credits for film, video, or digital productions in this state, is amended by revising paragraph (9) of subsection (b) as follows:

"(9) ~~'Tier' means a tier as designated pursuant to Code Section 48-7-40, as amended. In the event production expenditures will occur in more than one taxable year for a particular state certified production, the commissioner shall prescribe redesignation procedures to ensure that the production company can claim credits for such state certified production in future years without regard to whether or not a particular county is reclassified in a different tier~~ Reserved."

SECTION 2.

Said Code section is further amended by revising subsections (c) and (d) as follows:

"(c) For any production company and its affiliates that invest in a state certified production approved by the Department of Economic Development and whose average annual total production expenditures in this state did not exceed $30 million for 2002, 2003, and 2004, there shall be allowed an income tax credit against the tax imposed under this article. The tax credit under this subsection shall be allowed if the base investment in this state equals or exceeds $500,000.00 for qualified production activities and shall be calculated as follows:

(1) The production company shall be allowed a tax credit equal to ~~9~~ 15 percent of the base investment in this state;

(2) ~~If the base investment in this state is in a tier 1 or tier 2 county, the production company shall be allowed an additional tax credit equal to 3 percent of such base investment~~ Reserved;

(3) If Georgia residents are employed in the production, the production company shall be allowed an additional tax credit equal to 3 percent of the total aggregate payroll of Georgia residents; and

(4) If the base investment in this state is in excess of $20 million for multiple television projects, the production company shall be allowed an additional tax credit equal to 2 percent of such base investment.

(d) For any production company and its affiliates that invest in a state certified production approved by the Department of Economic Development and whose average annual total production expenditures in this state exceeded $30 million for 2002, 2003, and 2004, there shall be allowed an income tax credit against the tax imposed under this article. For purposes of this subsection, the excess base investment in this state is computed by taking the current year production expenditures in a state certified production and subtracting the average of the annual total production expenditures for 2002, 2003, and 2004. The tax credit shall be calculated as follows:

(1) If the excess base investment in this state equals or exceeds $500,000.00, the production company and its affiliates shall be allowed a tax credit of ~~9~~ 15 percent of such excess base investment;

(2) ~~An additional tax credit of 3 percent shall be allowed to the production company and its affiliates that qualify for and claim a credit under paragraph (1) of this subsection but only with respect to that portion of such production company's and affiliate's base investment that is the difference between the production expenditures in a state certified production in a tier 1 or tier 2 county in the current year and the average of the aggregate production expenditures made in those same counties for the years 2002, 2003, and 2004~~ Reserved;

(3) If Georgia residents are employed in the production, the production company and its affiliates shall be allowed an additional tax credit equal to 3 percent of the difference between the total aggregate payroll of Georgia residents, which is includable in the base investment in the current year, and the average of the aggregate payroll of Georgia residents for the years 2002, 2003, and 2004; and

(4) If the excess base investment in this state is in excess of $20 million for multiple television projects, the production company and its affiliates shall be allowed an additional tax credit equal to 2 percent of the difference between the production

expenditures in a state certified production for multiple television projects in the current year over the average of the production expenditures for multiple television projects for the years 2002, 2003, and 2004."

SECTION 3.

This Act shall become effective January 1, 2008, and shall apply to all taxable years beginning on or after such date.

SECTION 4.

All laws and parts of laws in conflict with this Act are repealed.